

## Message Text

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21 11

ORIGIN AGR-20

INFO OCT-01 EA-11 ISO-00 AID-20 IGA-02 EB-11 COME-00 PM-07

DODE-00 CIAE-00 INR-10 L-03 SPC-03 NSC-10 RSC-01

CIEP-02 TRSE-00 SS-20 STR-08 OMB-01 CEA-02 /132 R

66615

DRAFTED BY EMS/POD:PROSS/CDELAPLANE

APPROVED BY FFP/FRD: WJENNETTE

DLTIERNEY:AGRIC

SA/VN/PPB:WDOODY (SUBS)

FFP/FRD:AMERCKER

AMEAD

CPENCE

RSHEGOGUE

JHUDGINS

EBEVIS:AGRIC

ETRANSOM:FAS

RLOOPER:GOM/SA (DRAFT)

----- 118736

R 140016Z NOV 73

FM SECSTATE WASHDC

TO AMEMBASSY SAIGON

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E.O. 11652:N/A

TAGS: EAID- VS

SUBJECT: VIET NAM RICE - TITLE I, P.L. 480

REF: SAIGON 18565

1. RE PARA. 1 REFTTEL, WE REALIZE THAT 65,000 MT RICE  
ADDED TO AGREEMENT OF OCTOBER 2, 1972, BY SIXTH AND SEVENTH  
AMENDMENTS CANNOT BE PURCHASED WITH FUNDS PROVIDED  
THOSE AMENDMENTS. WE MAKING MAXIMUM USE OF FUNDS AVAILABLE  
UNDER AGREEMENT AS AMENDED THROUGH OCTOBER 12, 1973, FOR PA  
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45-752, BUT STILL WILL NOT BE ABLE REACH FULL 65,000 MT

FIGURE. #923;34, WE WOULD CONTEMPLATE INCREASING AGREEMENT AT LATER DATE TO MAKE UP FOR ANY SHORTFALL INTONNAGES PURCOASED AS RESULT INSUFFICIENT FUNDS IN SIXTH AND SEVENTH AMENDMENTS.

2. RE PARA 2, REFTTEL, NONE OF OFFERS MADE UNDER FIRST TENDER WERE IN ACCMRDANCE WITH TENDER TERMS. SPECIFICALLY, OF SALES SUBMITTED TO USDA FOR APPROVAL, ONE SALE PROVIDED FOR DELIVERY 11/5 THROUGH 11/30 WHEREAS TENDER SPECIFIED RICE TO BE AVAILABLE FOR DELIVERY 10/20 THROUGH 11/30. ALL SALES SUBMITTED TO USDA PROVIDED FOR RICE PACKAGED IN JUTE AND/OR POLYPROPYLENE, AT SELLER'S OPTION, WHILE TENDER PROVIDED FOR SEPARATE OFFERS TO BE MADE FOR EACH TYPE OF PACKAGING. SINCE THESE DISCREPANCIES BETWEEN OFFERS AND TENDER TERMS WERE BROUGHT TO USDA'S ATTENTION, WE HAD NO CHOICE BUT TO REJECT SALES.

3. RE PARA 3 , SALES ARE SUBMITTED TO USDA FOR APPROVAL BY SUPPLIER NOT VIETNAMESE. THUS, WHEN SALE COMES IN TO USDA FOR APPROVAL, IT MUST BE PRECEDED BY CONTRACT HAVING BEEN MADE BETWEEN SUPPLIER AND BUYER, SUBJECT TO USDA APPROVAL. IN THE CASE OF PA45-751 VINOPO EXERCISED ITS AUTHORITY TO AWARD CONTRACTS WITHOUT CONSULTING MINECON SAIGON. IN CASE OF PA'S 45-752 AND 45-753, PRICES HAD RISEN SUBSTANTIALLY AND VINOPO OFFICIALS FELT IT NECESSARY TO SEND CABLE REQUESTING MINECON APPROVAL OF PRICES. THIS PRACTICE OF REQUESTING MINECON APPROVAL SHOULD BE HELD TO MINIMUM SINCE IT REQUIRES VINOPO TO REQUEST SUPPLIERS TO HOLD BIDS OPEN LONGER THAN PERIOD SPECIFIED IN TENDER AND IN A RISING MARKET COULD CAUSE VINOPO TO LOSE BIDS.

4. THE ONLY COMMODITIES WHICH VINOPO HAS BEEN AUTHORIZED TO PURCHASE AT PRESENT ARE RICE, WHEAT AND CORN. IN THE CASE OF WHEAT, VINOPO HAS REQUESTED AUTHORITY FROM SAIGON FOR CEILING PRICES WHICH CAN BE ACCEPTED. VINOPO HAS NOT YET ESTABLISHED PROCEDURES FOR BUYING CORN. AT PRESENT, VINOPO SEEMS TO HAVE ONLY LIMITED AUTHORITY IN AWARDED BIDS. SINCE VINOPO IS STILL IN ITS INFANCY AND DOES NOT YET EVEN HAVE PERMANENT DIRECTOR OR STAFF, WE ANTICIPATE THAT QUESTION OF LIMITS OF ITS AUTHORITY MAY CON- LIMITED OFFICIAL USE

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TINUE TO BE WORKED OUT WITH MINECON IN MONTHS AHEAD. HOWEVER, PURPOSE OF MAINTAINING PROCUREMENT OFFICE IN U.S. WILL BE DEFEATED IF DECISIONS CONTINUE TO BE MADE IN SAIGON.

5. RE PARA. 4 OF REFTTEL, REQUESTS FOR PA'S ARE MADE TO USDA BY THE VIET NAM EMBASSY BASED ON INFORMATION PROVIDED BY MINECON, SAIGON. AFTER PA IS ISSUED, VINOPO ISSUES TENDER

WITHOUT NOTIFYING MINECON. AS EXPLAINED IN PARAS 3 AND 4 ABOVE, VINOPO MAY EITHER AWARD BIDS OR CONSULT SAIGON AND THEN MAKE AWARDS. AFTER BIDS AWARDED, SUCCESSFUL BIDDER REGISTERS SALE WITH USDA. AFTER SALES APPROVED, VINOPO CABLES RESULTS OF TENDER TO MINECON, SAIGON.

6. FREIGHT TENDERS ARE ISSUED BY ST. JOHN MARITIME, VINOPO'S FREIGHT AGENT, AND AWARDS ARE MADE BY ST. JOHN ON BEHALF OF VINOPO, AFTER CONSULTATION WITH AND APPROVAL BY VINOPO AND USDA. DECONTROL MAY 9, 1974.  
CASEY

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** RICE, PL 480 TITLE 1, FOOD ASSISTANCE  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 14 NOV 1973  
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**Disposition Approved on Date:**  
**Disposition Authority:** golinofr  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
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**Previous Handling Restrictions:** n/a  
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**To:** SAIGON  
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